SUMMARY

Four months ago, U S WEST filed a petition for advanced-services regulatory relief demonstrating that CLECs and other data service providers were failing to serve smaller and rural communities in U S WEST's region. The petition set forth in detail how granting U S WEST regulatory relief would enable it to deploy data infrastructure deeper into the West and Midwest than any other carrier has done. It also demonstrated how U S WEST provided CLECs with unbundled, conditioned loops and collocation (including cageless collocation), which is all they need to be able to provide competitive services on an equal footing with U S WEST.

ALTS has now filed, in effect, an out-of-time third set of comments on that petition, claiming that the petition cannot be granted until the Commission completes general proceedings on the scope of Sections 251, 252, 271, and 706 of the Telecommunications Act, together with a broader rulemaking on collocation. But ALTS does not dispute the specific facts U S WEST presented, nor does it provide evidence that U S WEST is failing to provide CLECs with everything they in fact need from incumbents to provide competitive data services. Accordingly, notwithstanding ALTS's petition, the Commission should continue considering U S WEST's petition for individual relief on its own merits and promptly issue a decision.

In any event, ALTS makes no legal case for the declaratory ruling it seeks. ALTS asserts, without argument, that Sections 251, 252, and 271 necessarily govern incumbent LECs' provision of data services unless the Commission forbears from their application. But Congress made clear that the unbundling and discounted resale duties of Section 251(c) apply to carriers only in their capacities as "incumbent local exchange carriers," and these data services do not constitute "telephone exchange service or exchange access" — the services that define a LEC. Moreover, even if this section did apply, the Commission would still have authority under Section 251(d)(2) to exclude the non-bottleneck data facilities from the list that must be unbundled. As for Section 271, the Commission may use its statutory power to modify LATA boundaries to waive LATA restrictions for the limited purpose of enabling BOCs to bring data services to communities it could not otherwise economically serve. Finally, ALTS's proposed ruling would eliminate Section 706 as a tool for achieving Congress's infrastructure goals.

ALTS's request for relief makes no sense on policy grounds. ALTS's laundry list of technical demands is premised on the erroneous notion that CLECs are entitled to expropriate each and every innovation and investment that an incumbent LEC makes. ALTS does not attempt to distinguish facilities that are currently bottlenecks from those that CLECs can and do obtain from many sources, or even to distinguish the interconnection needed for voice services from that needed for data. ALTS's demands would squelch any incentive an incumbent would have to innovate and invest in infrastructure.

In short, competition in the data services market is in no way dependent on regulated access to incumbent LECs' advanced data facilities or networks. ALTS's requested relief offers no policy benefits capable of offsetting its substantial distortion of investment incentives.

III. THE SPECIFIC REGULATORY INTERVENTIONS THAT ALTS PROPOSES ARE UNNECESSARY BECAUSE U S WEST HAS STRUCTURED ITS DATA SERVICE OFFERINGS IN A WAY THAT ENABLES OTHER CARRIERS TO COMPETE.

ALTS's basic claim is that competition in the data communications market cannot come about unless incumbent LECs are required by governmental fiat to share their new data networks with their competitors, either on an unbundled basis at prices based on forward-looking cost, or on a resold basis with prices discounted from retail. As discussed above and in U S WEST's petition for regulatory relief, this notion is contrary to law, economics, and good policy. Moreover, the excessive unbundling and resale requirements that ALTS proposes are simply not needed to fulfill the procompetitive mandates of the 1996 Act. U S WEST's data services are offered in a manner which is fundamentally procompetitive and enables all competitors to take reasonable advantage of those U S WEST facilities for which current alternatives may be limited. In this section, U S WEST responds to ALTS's laundry list of allegations concerning the adequacy of the interconnection its members receive.

A. U S WEST's xDSL Services.

In its petition for regulatory relief, U S WEST demonstrated that applying Sections 251 and 271 to its xDSL services makes it impossible to bring those services to

hundreds of thousands of customers in the less urban areas of U S WEST's territory. As a grant of the ALTS petition would continue to deny these customers those services, it is appropriate to discuss in some detail how U S WEST offers its xDSL services.

First, while it is by no means the only available regulatory choice, U S WEST is offering the entirety of its xDSL (MegaBit) services as basic telecommunications services. The link between the subscriber and the xDSL equipment (MegaSubscriber service) is provided pursuant to intrastate tariffs, and the intraLATA link between the DSL equipment and the ISP (MegaCentral service) is provided pursuant to either intrastate or interstate tariffs as appropriate. Therefore, MegaBit services are subject to the Commission's Open Network Architecture rules, which means that U S WEST's Internet access services must connect to the U S WEST MegaBit services on the same terms and conditions as are available to competing ISPs. U S WEST has not sought to waive these requirements in its request for regulatory relief. Thus, ISPs have a full and fair opportunity to use U S WEST's xDSL services on a non-discriminatory basis.

Second, U S WEST will make available to CLECs, pursuant to Section 251(c), the unbundled conditioned loops necessary to deliver xDSL service to an end user. While loop alternatives are rapidly appearing and growing in a number of markets (with cable modems in particular showing enormous growth[22]), U S WEST's loops remain a primary source of connectivity to many end user customers, particularly residential customers. A loop must be

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[22] Illustrating the great potential of these services, Microsoft and Compaq have just announced that they are investing $ 425 million in Road Runner, which provides content and high-speed Internet backbone services to approximately 90,000 cable modem customers. "Computer Companies Buy Stake in Road Runner Cable Modem Service," Comm. Daily at 2 (June 16, 1998). The same article reports that Road Runner's cable modem service is potentially available to 27 million cable households. Id. at 3.

"conditioned" to be usable for xDSL services, meaning that bridge taps and load coils must be removed. To the extent reasonable and feasible (and this is a constraint on U S WEST's provision of xDSL services as well), U S WEST will make conditioned loops available to CLECs for the provision of xDSL and/or local exchange services. With respect to these loops:

- A "conditioned loop" means just that — a loop without bridge taps or load coils. ALTS refers something which it calls a "DSL loop." As far as we can determine, ALTS's "DSL loop" is a loop which contains all of the electronics that a competitor can obtain and put in place as easily as U S WEST can. U S WEST does not offer a "DSL loop" as ALTS defines it as an unbundled network element for the reasons described above.

- A purchaser of a conditioned loop, just like the purchaser of any other kind of unbundled loop, must be a carrier and agree to undertake the carrier responsibilities attendant to control of the loop. This means that the purchaser of the unbundled loop will completely control the loop, and will be responsible for the customer's voice traffic over that loop (if any) as well as its data services. U S WEST will, of course, enter into an interconnection agreement with such a carrier if the carrier decides to hand off the customer's voice traffic for further delivery to U S WEST's local exchange customers.

- Under current technology, loops created with Digital Line Carrier ("DLC") or similar technology cannot be used to provide xDSL services. U S WEST is hopeful that this limitation on xDSL deployment can be overcome by the end of the year.

Third, U S WEST will make collocation space available for competitors to collocate transmission equipment, which includes xDSL electronics, in U S WEST central offices. Such collocation will include the ability to interconnect the unbundled conditioned loops with the carrier's xDSL electronics to create an xDSL service. U S WEST's user-friendly collocation policies are briefly described in Part III.B.

Fourth, U S WEST will enter into agreements with competitive data carriers to interconnect their respective data networks. Thus a competitive data service provider will not

need to create a complete network in order to provide its customers with the ability to reach the maximum number of potential customers. U S WEST will negotiate in good faith other reasonable terms to govern the interconnection of data networks.

B. U S WEST's Interconnection and Collocation Policies.

ALTS raises a number of demands concerning interconnection in general, suggesting that the Commission predetermine the outcome of interconnection negotiations in a number of areas. For the most part, ALTS's demands go well beyond any legitimate authority the Commission might have to interfere with ongoing interconnection negotiations and the statutory process for settling interconnection disputes, at least on the skimpy and anecdotal record ALTS has submitted. Despite the generally unmeritorious nature of ALTS's demands, U S WEST takes this opportunity to describe how some of these issues have been working themselves out in actual negotiations, just as Congress envisioned.

In its Petition, ALTS asks the Commission to decree that CLECs have "unbundled access" to advanced data facilities. (ALTS Pet. 14-15) This demand frames perhaps an entire regulatory approach to data communications. U S WEST will interconnect with competitive data services, and will offer as unbundled network elements the facilities necessary to permit competitive carriers to offer advanced data services, including unbundled conditioned loops and collocation space for xDSL equipment. Such unbundled loops include loops capable of carrying the various xDSL signals, and of interconnecting to a competitor's xDSL equipment in a U S WEST central office. To the extent that mid-loop regeneration capability can actually permit extension of xDSL service beyond the current 18,000-foot limitation on loop lengths, U S

WEST will offer such regeneration capability as a type of loop conditioning. However, U S WEST will not invest in advanced data capabilities for CLECs, nor (for the reasons described above) is it necessary for it to do so under the Act.

In addition, ALTS requests that the Commission set up a number of complex rules to limit and govern the negotiations for physical collocation space. (ALTS Pet. 18-22) U S WEST has been making significant progress in negotiating with CLECs in this area. Among the collocation matters which have been negotiated:

- U S WEST offers a SPOT collocation option, which permits CLECs to aggregate unbundled network elements at a single U S WEST frame in the central office. SPOT collocation includes a common frame and tie cables in 100-pair increments (called expanded interconnection channel terminations) which provide a demarcation point for the unbundled network elements. Thus the SPOT frame also serves as a point of interface for all unbundled networks ordered by the CLEC.

- U S WEST's SPOT collocation option is clearly distinct from the BellSouth virtual collocation option that ALTS criticizes in its petition. Id. at 20. It is U S WEST's understanding that BellSouth allows CLECs to place a "connection" frame in its central office. U S WEST will permit a CLEC to place a frame in their collocation space. In addition, U S WEST's SPOT collocation option offers CLECs a more cost-effective and efficient method of combining network elements because it allows multiple CLECs to share the SPOT frame and assorted infrastructure.

- Cageless physical collocation is a new concept that U S WEST is introducing in response to the demands of the marketplace through the negotiation process. U S WEST offers cageless physical collocation in increments of nine square feet, depending on walkway space requirements. U S WEST anticipates that cageless physical collocation will be more efficient and lest costly for CLECs because it does not require a cage or one-hundred-square-foot allotments of collocation space.

- U S WEST permits CLECs to connect two collocation spaces via tie cables. This can be done either on the SPOT frame itself or with tie cables between adjacent CLEC cages.

- U S WEST does not offer caged physical collocation space in increments of less than one hundred square feet. Given the fact that each collocation cage requires construction and walkways around the cage, smaller increments are simply not efficient. However, U S WEST's cageless collocation options should make this issue moot.

- ALTS's demand that the Commission impose TELRIC pricing on collocation agreements (ALTS Pet. 21) cannot stand in the face of the Eighth Circuit's decision in Iowa Utilities Board v. FCC and the court's subsequent mandamus order enforcing its mandate.

- U S WEST is trying to develop standard rates for collocation so that neither U S WEST nor CLECs are required to prorate back construction costs.

Further, ALTS questions whether incumbent LECs are providing adequate access to operational support systems ("OSS"), alleging a number of incidents concerning the provision of OSS for traditional telephone services. (ALTS Pet. 22-23). ALTS ignores that there is a fundamental difference between systems supporting the existing circuit-switched voice network and systems developed for and dedicated to advanced data communications services. With respect to data services, OSS is part of network management, is built into the electronics that route the data, and has nothing to do with the underlying voice network. Thus, unthinking extension of the Commission's voice OSS rules to data services would be unwise.

ALTS raises numerous other suggestions which seem to have little to do with anything, much less anything to do with bringing data services to communities that are not currently being served. ALTS condemns the successful court challenges brought by a number of incumbents, id. at 32, and generically (and unhelpfully) urges the Commission not to interfere with specific state proceedings, id. at 38-45. ALTs also asks the Commission to solve a wide variety of perceived and real provisioning issues that have nothing to do with the provision of data services by either incumbent LECs or CLECs. See, e.g., id. at 13, 17, 22-26. These

U S WEST COMMUNICATIONS

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ATTACHMENT II

8. MEGABIT SERVICES

8.1 DESCRIPTION
8.1.2 SERVICE ELEMENTS (Cont'd)

D. Access Link (T)

1. MegaSubscriber Access Link (C)

Company-provided, flat-rated residence and business telephone lines serve as the access facilities for MegaSubscriber Services from the customer's home or remote location to their serving wire center. A MegaBit Service customer may use their existing voice channels, or additional voice channels may be purchased by the customer, as set forth in the Exchange and Network Services Tariff.

2. MegaCentral Access Link (C)

The MegaCentral Access Link is a Company-provided physical connection between a disclosed ATM Central Office or MegaCentral Service Point, and the MegaCentral customer premises.

The MegaCentral Access Link transmits data from the customer's host, or central location, to the Company ATM Network. If the Company Central Office which serves the customer's host site or location is not collocated with the ATM Switch or a MegaCentral Service Point, appropriate Company-provided Private Line Transport Service Transport Mileage applies between the customer's serving Central Office and the ATM Switch or MegaCentral Service Point, whichever is closer.

- A 1.544 Mbps, Clear Channel DS1 Private Line Transport Channel Termination. A MegaCentral Port and a Central Office Connecting Channel (COCC) apply in addition to this Access Link.
- A 45 Mbps DS3 Private Line Transport Channel Termination. A MegaCentral Port and a COCC apply in addition to this Access Link.
- A 45 Mbps ATM Cell Relay Optical Access Link (OAL) for customers within the optical reach limits of the ATM serving wire center, as specified in Technical Publication 77378. A MegaCentral Port or an existing ATM Cell Relay Port applies in addition to this Access Link.

The 45 Mbps MegaCentral Access Links support the bi-directional speeds of 3 Mbps up to 45 Mbps, in 3 Mbps increments. (C)

(D)

(M) Material moved to Page 3.

ATTACHMENT III

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

In the Matter of	)
	)
U S WEST, Inc. Offer of Comparably	)
Efficient Interconnection for On-Line	)
Database Access Services	)

AMENDMENT OF PLAN OF U S WEST, INC.
TO OFFER COMPARABLY EFFICIENT INTERCONNECTION
FOR ON-LINE DATABASE ACCESS SERVICES

U S WEST, Inc. ("U S WEST"), pursuant to the Common Carrier Bureau's Memorandum Opinion and Order,[1] hereby amends its Comparably Efficient Interconnection ("CEI") Plan for On-Line Database Access Services.[2] As specified in the U S WEST On-Line Database Access Services CEI Plan and Amendment[3] and the Federal Communications Commission's directives concerning Open Network Architecture ("ONA"), U S WEST has to this date provided On-Line Database Access Services and functionality only in conjunction with ONA services described in its approved ONA Plan, as amended. Upon the effective date of this amendment, U S WEST will include MegaBit Services in its list of basic services with which On-Line Database Access Services functionality may be offered.

MegaBit Services utilize Digital Subscriber Line technology to provide customers with both voice and high-speed data services over metallic local loop

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[1] In the Matter of Bell Operating Companies' Joint Petition for Waiver of Computer II Rules, Memorandum Opinion and Order, 10 FCC Rcd. 1724 (1995).

[2] In the Matter of Bell Operating Companies Joint Petition for Waiver of Computer II Rules, Order, 10 FCC Rcd. 13758 (1995).

[3] See Amendment of Plan of U S WEST, Inc. to offer Comparably Efficient Interconnection for On-Line Database Access Services, filed April 18, 1996; Erratum filed April 26, 1996; Clarifying Letter from Elridge Stafford to Matt Harthum, filed April 30, 1996; Correction to Erratum, filed May 9, 1996.

8. ADVANCED COMMUNICATIONS NETWORKS

8.2 SERVICE DESCRIPTIONS

8.2.3 MEGACENTRAL SERVICE (C)

B. Service Elements (Cont'd) (N)

2. Access Links

MegaCentral Access Links transmit data from the customer's host, or central, location to the serving wire center of the central location, using Company-provided facilities at speeds of 1.544 Mbps or 45 Mbps. A 1.544 Mbps MegaCentral Service customer must purchase a Company-provided DS1 Service Channel Termination, as set forth in Section 7, preceding. A 45 Mbps MegaCentral Service customer must purchase a Company-provided ATM Cell Relay Access Link, as set forth in 8.2.4, following or a DS3 Service Channel Termination, as set forth in Section 7, preceding.

3. Central Office Connecting Channel (COCC)

A COCC provides the ongoing interconnection from the MegaCentral Port to an ATM CRS Access Link or a DS1 or DS3 Service Channel Termination.

4. Service Points

Service Points are geographic locations designated by the Company where the MegaCentral Port can be accessed. The MegaCentral Port utilizes the ATM CRS Service Points which are listed in the National Exchange Carrier Association F.C.C. Tariff No. 4. (N)

facilities. MegaBit Services separate the two types of traffic, allowing simultaneous, bi-directional voice and data transmissions. Data streams are delivered via a 10BaseT or 100BaseT interface between end-user customers and Internet Service Providers or Corporate local area networks.

MegaBit Services will be available on equal terms and conditions to all users in accordance with the above-referenced CEI Plan.[4] U S WEST intends to fulfill its disclosure obligations under the procedures established in the Commission's rules, Section 51.333, Notice of Network Changes: Short Term Notice. U S WEST completed the network disclosures for the 10BaseT and 100BaseT interfaces and filed its Certification of Short Term Notice with the Commission. On August 25, 1997, the Commission released a Public Notice of Short Term Notice Filings. In accordance with the Commission's rules short term notices are deemed final on the tenth business day following the release of the Commission's Public Notice, unless an objection is filed.

Based on the Commission's prompt approval of previously-filed CEI plan amendments, U S WEST respectfully requests the same expeditious handling of this minor amendment.

Respectfully submitted,

U S WEST, INC.

By: Robert B McKenna (PJ)
Robert B. McKenna
Suite 700
1020 19th Street, N.W.
Washington, DC 20036
303/672-2861
Its Attorney

Of Counsel,
Daniel L. Poole

August 29, 1997

[4] See Exhibit A for tariff references and Exhibit B for sample tariffs.

CERTIFICATE OF SERVICE

I, Donald Weightman, hereby certify that copies of the foregoing were served on this 25th day of September by hand to the following:

Magalie R. Salas
Secretary
Federal Communications Commission
Room 222
1919 M Street NW
Washington DC 20554
(Original and four copies)

Janice Miles
Common Carrier Bureau
Policy and Program Plannin Division
Federal Communications Commission
Room 544
1919 M Street NW
Washington DC 20554 (with diskette)

ITS, Inc.
1231 20th St. N.W.
Wasdhington DC 20037 (with diskette)

Donald Weightman